



03/02/2020

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**TO:** FRAN RUCHALSKI

**FROM:** RYAN FISCH

**SUBJECT:** 2019 SOFTWARE COSTS REVIEW

**CC:**

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Fran,

In response to your inquiry pertaining to 2019 Engineering expenses, it is my opinion that the majority of costs associated with fees paid to ConsenSys were for undelivered or unviable software.

For purposes of determining eligible capital expenses, our application is comprised of 3 distinct parts which appear to fall under website or internal-use as we do not resell or redistribute our software for direct revenue. The bulk of the execution phase for these expenses was paid to external vendors ( EffectiveSoft, Resolvit) as well as one fulltime engineer Robert Maguire totaling approx. \$194,006 USD. The remaining internal headcounts is primarily focused on the planning, architecture or pre-stage or phase activities.

In addition to these, our platform cloud-hosting fees are < \$15,000.00 annually.

Please let me know if there is any additional information I can provide.

Ryan